



#### LET THE GAMES BEGIN

The C&L team have put together resources to help you to prepare for the Games. The guidance note on extension of time and direct loss and expense claims explains how you can protect yourself from and in some cases mitigate any damage caused by Olympic delays.

#### RISING FROM THE ASHES

The Companies Register is littered with cases involving so called 'phoenix companies'. Emerging from the collapse of another through insolvency. Read our online guide to protecting your business from becoming a victim of phoenix company fraud. To keep informed on related insolvency issues and administration.

#### B&ES CHALLENGES VAT ON LISTED BUILDINGS

The Association has recently joined with a number of like-minded industry organisations in a bid to urge the Government not to abolish the zero-rate VAT charged on construction works on listed buildings.

#### RODERICK PETTIGREW

Head of Department  
020 7313 4917  
rod.pettigrew@b-es.org

#### ROB DRISCOLL

Deputy Head of Department  
020 7313 4918  
rob.driscoll@b-es.org

#### ALEX BRIGHTMAN

C&L Adviser  
020 7313 4922  
alex.brightman@b-es.org

#### CHARLOTTE BARKER

C&L Adviser  
020 7313 4921  
charlotte.barker@b-es.org

# Let the Games begin...

**The largest sporting events in the world are coming to the UK this month, the Olympic and Paralympic Games. Some members maybe entitled to contractual relief to compensate for programme delays and/or additional costs incurred**



The capital faces disruption for more than six weeks between 27 July and 9 September 2012 during which the Olympics and Paralympics take place. The impact of road closures on routes to the Olympic Park and other Olympic Games venues may hinder access to site, obstruct call-outs, hinder deliveries of plant or materials and prolong journey times for contractors working on site.

The reality may be that in addition to the planned disruption, secondary unplanned transport disruption may also be likely because of Olympic activities. In some circumstances, members may be entitled to contractual relief to compensate for programme delays and/or additional costs incurred. However, this will depend entirely on the terms of your contract. The B&ES C&L team have put together resources to help you to prepare for the Games. The guidance note on **extension of time and direct loss and expense claims** under construction contracts examines the member's position under JCT supply & install, NEC3 and maintenance contracts where delay and disruption is incurred because of Olympic activities.

There are a range of **online resources on the Olympics** on the B&ES website to help your business run smoothly through this period. The resource includes information on travel hotspots and the measures in place to help businesses continue to run during this time. Take time to visit the advice for to help make journeys easier, improve deliveries and help support your staff.

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## Rising from the ashes

### A guide to phoenix companies...

The Companies Register is littered with cases involving so called 'phoenix companies'. Emerging from the collapse of another through insolvency, the new commercial entity is set up to trade in the same or similar trading activities as the former, and is able to present the appearance of "business as usual" to its customers.

Company law in the UK has been formed to enable such activity in order to protect and promote entrepreneurship, by reducing risk and improving the chances of continued trading and business development.

***“A person purporting to act as a director of a phoenix company may have already been disqualified from acting as a company director under the Company Directors Disqualification Act 1986.”***

For further information on Phoenix Companies contact **Charlotte Barker** at [charlotte.barker@b-es.org](mailto:charlotte.barker@b-es.org)

***“It is our very firm belief that imposing standard-rate VAT on construction works relating to listed buildings... can only serve to undermine Government initiatives.”***

For further information on VAT on Listed Buildings contact **Rob Driscoll** at [rob.driscoll@b-es.org](mailto:rob.driscoll@b-es.org)

The re-use of the trading name of the original company is, however protected to some extent in law, to help ensure the interests of investors and other creditors are not damaged by a lack of transparency relating to the Director's involvement with a failed company, and continued involvement with its Phoenix. This protection is contained within section 216 of the Insolvency Act 1986.

Read our online guide to protecting your business from becoming a victim of phoenix company fraud. To keep informed on related insolvency issues and administration. It is also worth checking on the position of individual directors.

A person purporting to act as a director of a phoenix company may have already been disqualified from acting as a company director under the Company Directors Disqualification Act 1986. Directors can be disqualified under this legislation for a period up to fifteen years. Disqualification is on the grounds of misconduct which includes:

- a conviction for an indictable offence in connection with the running of a company
- (e.g. the director has been guilty of running a company with the intention of defrauding its creditors or other persons);
- persistent breaches of companies legislation relating to matters such as failure to submit annual returns;
- fraud in connection with a winding up;

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## B&ES challenges VAT on Listed Buildings

**The Association has recently joined with a number of like-minded industry organisations in a bid to urge the Government not to abolish the zero-rate VAT charged on construction works on listed buildings.**

B&ES has warned David Gauke, Exchequer Secretary to the Treasury, that charging VAT at the standard rate on such projects would militate against achievement of the 20% reduction in construction costs being sought by Government.

During a meeting with Mr Gauke and in a subsequent letter, the Association stressed that this was especially the case at a time when:

- (a) materials prices are rising substantially;
- (b) Government is looking to construction to deliver sustainable engineering solutions;
- (c) firms are being urged to invest in technology and training;
- (d) a serious skills shortage is looming; and
- (e) almost 6,000 insolvencies were recorded in the sector in 2010 and 2011, and the Office for national Statistics recorded a quarterly fall of 4.8% in construction output for the first quarter of 2012.

B&ES believes that the imposition of standard-rate VAT would only serve to undermine Government initiatives designed to maximise the contribution a revitalised construction sector could make to the economic health of the nation.

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